

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG RIVERS ELECTRIC CORPORATION'S)	
PROPOSED MECHANISM TO CREDIT TO)	
CUSTOMERS AMOUNTS RECOVERED IN)	CASE NO. 94-453
JUDICIAL PROCEEDINGS INVOLVING)	
FUEL PROCUREMENT CONTRACTS)	

O R D E R

IT IS HEREBY ORDERED that each party submitting a written brief shall address, among the issues to be debated, the following:

1. Notwithstanding the Commission's Order of July 21, 1994 in Case No. 90-360-C,¹ should amounts which Big Rivers Electric Corporation ("Big Rivers") recovers in various judicial and administrative proceedings involving its fuel procurement activities be considered as a fuel cost and subject to credit through Big Rivers' fuel adjustment clause?

2. If the amounts recovered are not fuel costs, does the Commission have the legal authority to order Big Rivers to credit to its customers amounts recovered from various judicial and administrative proceedings involving its fuel procurement contracts?

3. If the Commission orders Big Rivers to credit to its customers amounts recovered from various judicial and administrative proceedings involving its fuel procurement contracts, should legal fees and expenses incurred to recover these amounts be deducted from the amount to be credited?

4. If the Commission orders Big Rivers to credit to its customers amounts recovered from various judicial and administrative proceedings involving its fuel procurement contracts, how should these amounts be allocated to its jurisdictional customers?

¹ Case No. 90-360-C, An Examination By The Public Service Commission Of The Application Of The Fuel Adjustment Clause Of Big Rivers Electric Corporation From November 1, 1991 To April 30, 1992 (July 21, 1994)

5. If the Commission orders Big Rivers to credit to its customers amounts recovered from various judicial and administrative proceedings involving its fuel procurement contracts, should any of these amounts be allocated to Big Rivers off-system sales? If yes, what method of allocation should be used?

6. If the Commission orders Big Rivers to implement a crediting mechanism, should this mechanism also apply to monies recovered outside of judicial and administrative proceedings (e.g., payments under insurance policies)?

7. If the Commission orders Big Rivers to credit to its customers amounts recovered from various judicial and administrative proceedings involving its fuel procurement contracts, should Big Rivers be permitted to retain certain types of damage awards (e.g., exemplary or punitive damages) rather than crediting them to its customers?

8. To what extent, if any, does Big Rivers' Debt Restructuring Agreement limit the Commission's authority to establish, sua sponte, a rate mechanism which credits to Big Rivers' customers amounts recovered from various judicial and administrative proceedings involving fuel procurement contracts?

9. a. Does the judicial prohibition against retroactive ratemaking limit the Commission's authority to order Big Rivers to credit to its customers amounts recovered before the effective date of the crediting mechanism?

b. Does the judicial prohibition against retroactive ratemaking limit the Commission's authority to order Big Rivers to credit to its customers amounts recovered before the Commission's Order of July 21, 1994 in Case No. 90-360-C?

Done at Frankfort, Kentucky, this 28th day of September, 1995.

ATTEST:



Executive Director

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner